

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
W. R. GRACE & CO., et al.,¹)
Debtors.) Case No. 01-01139 (JKF)
) (Jointly Administered)
) **Objection Deadline:** March 26, 2007,
at 4:00 p.m. (prevailing eastern time)

**SUMMARY APPLICATION OF LATHAM & WATKINS LLP FOR
COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS
SPECIAL TAX COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE
PERIOD FROM SEPTEMBER 1, 2006, THROUGH SEPTEMBER 31, 2006**

Name of Applicant: Latham & Watkins LLP ("L&W")

Authorized to Provide Professional Services to: W. R. Grace & Co., et al., Debtors and
Debtors-in Possession

Date of Retention: Retention Order entered June 16, 2004,
effective nunc pro tunc from April 1, 2001,
Order Authorizing Expansion entered
March 27, 2006.

Period for which compensation and reimbursement
is sought: September 1, 2006 through September 31, 2006

Amount of Compensation sought as actual,
reasonable and necessary: \$3,347.00

Amount of Expense Reimbursement sought
as actual, reasonable and necessary: (\$4.79)

This is a(n) X monthly, ___ interim, ___ final application.

¹ The debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-I Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester new Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guánica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Koontenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc., Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

The total time expended for the preparation of this application is approximately 1 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$400.00.

This is the third monthly application for interim compensation of services for the July – September 2006 quarter that Latham & Watkins LLP has filed with the Bankruptcy Court in the Chapter 11 Cases. The following applications have been filed previously in the Chapter 11 Cases:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
On or about August 9, 2004	December 2003 – June 2004	\$211,719.00	\$6,927.50	All fees approved	\$6,897.50 approved
On or about August 25, 2004	July 1, 2004 – July 31, 2004	\$11,334.50	\$201.32	All fees approved	All expenses approved
On or about October 25, 2004	August 1, 2004 – August 31, 2004 and September 1, 2004 – September 30, 2004	\$81,729.50	\$5,199.44	All fees approved	All expenses approved
On or about November 25, 2004	October 1, 2004 – October 30, 2004	\$45,050.00	\$1,825.59	All fees approved	All expenses approved
On or about December 25, 2004	November 1, 2004 – November 30, 2004	\$31,913.50	\$1,509.91	All fees approved	All expenses approved
On or about January 25, 2005	December 1, 2004 – December 31, 2004	\$26,177.50	\$1,282.35	All fees approved	All expenses approved
On or about February 4, 2005	July 1, 2004 – September 30, 2004	\$93,064.00	\$5,400.76	All fees approved	All expenses approved
On or about February 25, 2005	January 1, 2005 – January 31, 2005	\$23,485.50	\$3,14.93	All fees approved	All expenses approved
On or about March 25, 2005	February 1, 2005 – February 28, 2005	\$22,065.00	\$628.01	All fees approved	All expenses approved
On or about May 19, 2005	October 1, 2004 – December 31, 2004	\$103,141.00	\$4,617.85	All fees approved	All expenses approved
On or about May 24, 2005	March 1, 2005 – March 31, 2005	\$39,952.00	\$160.88	All fees approved	All expenses approved
On or about May 24, 2005	January 1, 2005 – March 31, 2005	\$85,502.50	\$1,103.82	All fees approved	All expenses approved
On or about May 26, 2005	April 1, 2005 – April 30, 2005	\$33,385.50	\$593.50	All fees approved	All expenses approved
On or about July 8, 2005	May 1, 2005 – May 31, 2005	\$15,799.50	\$956.63	All fees approved	All expenses approved
On or about August 9, 2005	June 1, 2005 – June 30, 2005	\$3,343.00	\$332.11	All fees approved	All expenses approved
On or about August 9, 2005	April 1, 2005 – June 30, 2005	\$52,528.00	\$1,882.24	All fees approved	All expenses approved
On or about September 19, 2005	July 1, 2005 – July 31, 2005	\$1,392.00	\$8.93	All fees approved	All expenses approved

On or about October 10, 2005	August 1, 2005 – August 31, 2005	\$698.50	\$39.03	All fees approved	All expenses approved
On or about October 26, 2005	September 1, 2005 – September 30, 2005	\$736.50	\$5.32	All fees approved	All expenses approved
On or about October 26, 2005	July 1, 2005 – September 30, 2005	\$2,827.00	\$53.28	All fees approved	All expenses approved
On or about December 28, 2005	October 1, 2005 – October 31, 2005	\$689.00	\$9.34	All fees approved	All expenses approved
On or about January 13, 2006	November 1, 2005 – November 30, 2005	\$73.50	\$6.45	All fees approved	All expenses approved
On or about October 20, 2006	June 1, 2006 – June 30, 2006	\$16,407.50	\$0.00	All fees approved	All expenses approved
On or about October 20, 2006	July 1, 2006 – July 31, 2006	\$16,122.50	\$35.61	All fees approved	All expenses approved
On or about October 20, 2006	August 1, 2006 – August 31, 2006	\$13,317.50	\$6.18	All fees approved	All expenses approved

LATHAM & WATKINS LLP PROFESSIONALS

Name of Attorney	Position with the Applicant	Number of Years as an Attorney	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Nicholas J. DeNovio	Partner	18	Tax	695.00	3.30	2,293.50
Total for Attorneys					3.30	\$2,293.50

Name of Legal Assistant	Position with the Applicant	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Elizabeth Arnold	Paralegal	Bankruptcy	215.00	4.90	1,053.50
Total for Legal Assistants				4.90	\$1,053.50

COMPENSATION BY MATTER

Matter Number	Matter	Total Hours	Total Fees Requested
042362-0000	Federal Tax General Planning	8.2	\$3,347.00
042362-0001	Equitas Agreement	0.00	\$0.00
Total Compensation		8.2	\$3,347.00

EXPENSE SUMMARY FOR FEDERAL TAX GENERAL PLANNING

Description	Amount
Telephone	\$4.79
Total	\$4.79

EXPENSE SUMMARY FOR EQUITAS AGREEMENT

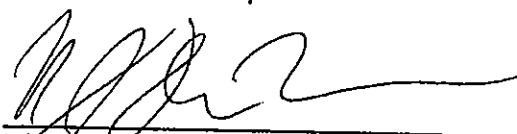
Description	Amount
None	0.00
Total	\$0.00

WHEREFORE, L&W respectfully requests that, for the period September 1, 2006 through September 31, 2006, an interim allowance be made to L&W for compensation in the amount of \$3,347.00 and actual and necessary expenses in the amount of \$4.79 for a total allowance of \$3,351.79 and payment of \$2,677.60 (80% of the allowed fees) and reimbursement of \$4.79 (100% of the allowed expenses) be authorized for a total payment of \$2,689.39, and for such other and further relief as this Court may deem just and proper.

Washington, D.C.
Dated: February 28, 2007

Respectfully submitted,

LATHAM & WATKINS LLP



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